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SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

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FORM 10-Q

X QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.

For the quarterly period ended December 22, 1991

Commission File Number 0-14650

RUDY'S RESTAURANT GROUP, INC.

Nevada	88-0210808
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

4500 Biscayne Blvd., PHN, Miami, FL	33137
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code:

(305) 576-8000

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes X No ___

PROCESSED
MAR 02 1992

APPLICABLE ONLY TO CORPORATE ISSUERS:

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at February 26, 1992
Common Stock, par value $.01 per share	3,520,000

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RUDY'S RESTAURANT GROUP, INC.
AND SUBSIDIARIES

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RUDY'S RESTAURANT GROUP, INC.
AND SUBSIDIARIES

Consolidated Balance Sheets

ASSETS

	12/22/91 (unaudited)	9/29/91
Current Assets:		
Cash and cash equivalents	$ 30,711	$ 280,752
Accounts receivable	59,938	20,171
Note receivable	886,452	---
Due from parent	18,368	18,368
Inventories	163,943	164,265
Prepaid insurance	216,320	140,887
Other prepaid expenses	43,869	30,264
Total current assets	1,419,601	654,707
Property and Equipment, net	1,431,019	1,467,137
Goodwill, net of accumulated amortization of $413,218 at December 22, 1991 and $394,316 at September 29, 1991	1,082,076	1,100,978
Other assets	270,831	1,194,076
	$ 4,203,527	$ 4,416,898

See accompanying notes to financial statements.

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RUDY'S RESTAURANT GROUP, INC.
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Consolidated Balance Sheets

LIABILITIES AND STOCKHOLDERS' EQUITY

	12/22/91 (unaudited)	9/29/91
Current Liabilities:		
Current maturities of debt	$ 1,943,104	$ 244,058
Accounts payable and accrued expenses	956,693	1,211,366
Total current liabilities	2,899,797	1,455,424
Deferred accrued interest	63,586	54,410
Notes payable and other long-term debt, excluding current maturities	195	1,640,332
Total liabilities	2,963,578	3,150,166
Stockholders' Equity:		
Preferred stock, $.01 par value. Authorized 10,000,000 shares, none issued.		
Common stock, $.01 par value. Authorized 30,000,000 shares; issued and outstanding 3,520,000 shares	35,200	35,200
Paid-in capital	17,823,603	17,823,603
Accumulated (deficit)	(16,618,854)	(16,592,071)
Net stockholders' equity	1,239,949	1,266,732
	$ 4,203,527	$ 4,416,898

See accompanying notes to consolidated financial statements.

RUDY'S RESTAURANT GROUP, INC.
AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF OPERATIONS
(unaudited)

	Twelve Weeks Ended	
	12/22/91	12/23/90
Total Revenue	$ 2,304,480	$ 2,323,841
Cost of goods sold:		
Food, beverages and supplies	633,230	690,360
Labor & related costs	573,337	562,032
Total cost of goods sold	1,206,567	1,252,392
Expenses of restaurant operations:		
General operations	834,582	824,865
Depreciation and amortization	56,708	65,206
Total restaurant expenses	891,290	890,071
Earnings from restaurant operations	206,623	181,378
Corporate overhead:		
General and administrative expenses	144,653	219,580
Depreciation and amortization	27,224	22,050
Interest expense	41,887	47,271
Total corporate overhead	213,764	288,901
(Loss) on reduction of assets to net realizable value	(19,642)	---
Net (loss)	$ (26,783)	$ (107,523)
Net (loss) per equivalent share	$ (.01)	$ (.03)

See accompanying notes to financial statements.

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RUDY'S RESTAURANT GROUP, INC.
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CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)

Increase (Decrease) in Cash and Cash Equivalents

	Twelve Weeks Ended	
	12/22/91	12/23/90
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (26,783)	$(107,523)
Non-cash items:		
Depreciation and amortization	83,931	87,256
Loss on reduction of assets to net realizable value	19,642	---
Increase in deferred interest	9,175	8,400
(Increase)/Decrease in accounts receivable	(44,557)	90,049
Decrease in inventories	322	1,671
(Increase) in prepaid insurance	(75,432)	(226,320)
Increase in other prepaid expenses	(13,605)	(41,032)
(Decrease) in accounts payable and accrued expenses	(254,673)	(114,098)
Amortization of loss from discontinued operations	—	(121,696)
Total adjustments	(275,197)	(315,770)
Net cash (used in) operating activities	(301,980)	(423,293)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of discontinued operations	—	282,000
Capital expenditures	(11,114)	(7,780)
Collection of non-trade receivable	4,144	2,512
Net cash (used in) provided by investing activities	(6,970)	276,732
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issuance of debt	101,075	265,526
Principal payments of notes payable and long-term debt	(42,166)	(158,777)
Principal payments of capital lease obligations	—	(395)
Net cash provided by financing activities	58,909	106,354
Net (Decrease) in Cash and Cash Equivalents	(250,041)	(40,207)
Cash and Cash Equivalents, September 29, 1991 and September 30, 1990, respectively	280,752	413,547
Cash and Cash Equivalents, December 22, 1991 and December 23, 1990, respectively	$ 30,711	$ 373,340

RUDY'S RESTAURANT GROUP, INC.
AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1: Financial Statement Presentation

The unaudited financial statements presented herein have been prepared in accordance with the instructions to Form 10Q and do not include all of the information and note disclosures required by generally accepted accounting principles. These statements should be read in conjunction with the financial statements and notes thereto included in the Company's Form 10K for the year ended September 29, 1991. The accompanying financial statements have not been examined by independent accountants in accordance with generally accepted auditing standards, but in the opinion of management, such financial statements include all adjustments, consisting of only normal recurring accruals, necessary to summarize fairly the financial position of Rudy's Restaurant Group, Inc. and Subsidiaries (the "Company") as of December 22, 1991 and the results of operations for the twelve weeks ended December 22, 1991 and December 23, 1990. The results of operations for the period ended December 22, 1991 are not necessarily indicative of the results to be expected for the full year.

Business. Rudy's Restaurant Group, Inc. (the "Company"), is a Nevada corporation which, through its wholly-owned subsidiary, The Samurai, Inc. ("The Samurai") owns and operates Japanese-style steakhouse restaurants. The Company also owns 100% of the stock of Rudy's Sirloin Steakburgers, Inc. ("Rudy's") and Maxwell's International Inc. ("Maxwell's").

Basis of Presentation. The Company sold substantially all of the assets, net of related capital lease obligations, of its Rudy's subsidiary in January 1991. The business operations of the Rudy's subsidiary represented a major line of business of the Company through the date of the disposition and thus are discussed herein and in the Company's financial statements as "Discontinued Operations". The Company continues to own and operate The Samurai, Inc., a full-service restaurant chain of seven Japanese Steak and Seafood restaurants.

At December 22, 1991 the Company's current liabilities exceed its current assets by approximately $1,480,000. Current liabilities include the Company's outstanding debt to Heller Financial, Inc. ("Heller"), the Company's major creditor, $1,345,000 at December 22, 1991. This obligation is payable $25,000 principal due monthly beginning April 1992 through November 1992, at which time the remaining balance is due in full. Based on the above facts and certain uncertainties with regard to ongoing legal proceedings and a related party guarantee, there exists substantial doubt as to the ability of the Company to continue as a going concern. The accompanying consolidated financial statements, however, have been prepared assuming that the Company will continue as a going concern and, as such, do not include adjustments that might result in the event the Company is unable to generate a sufficient level of cash flow to meet its obligations and sustain its ongoing operations.

The Company's ability to continue as a going concern is dependent on its ability to generate sufficient cash flow from operations during 1992 to repay Heller in November 1992, extend the terms of repayment of its obligation to Heller, or, in the alternative, to obtain alternate financing. There are no assurances that the Company will be successful in its efforts. Management believes, however, that subject to the satisfactory resolution of the uncertainties to which the Company is a party, the effect of cost-reduction measures implemented within the past two years and certain projected additional reductions in expenses will provide the Company with sufficient liquidity to meet its remaining obligations, sustain its ongoing operations and thus, continue as a going concern.

Inventories. Inventories, consisting primarily of food, beverages and restaurant supplies, are stated at the lower of cost (first-in, first-out method) or market.

Property and Equipment. Property and equipment are stated at cost.

Depreciation and amortization are provided on a straight-line method over the estimated useful life of the asset.

Goodwill. Goodwill, the excess of the cost of net tangible assets of acquired businesses over recorded value, is amortized on the straight-line method over forty (40) years or the remaining term of the lease associated with the business assets acquired.

Earnings (Loss) Per Share. Earnings (loss) per share is calculated using the weighted average number of shares of common stock outstanding and common stock equivalents if dilutive.

Cash Equivalents. For purposes of the statements of cash flows, the Company considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Income Taxes. In December 1987, the Financial Accounting Standards Board issued Statement No. 96, "Accounting for Income Taxes". A significant provision of Statement No. 96 is the change from the deferred to the liability method of computing deferred income taxes. Under the liability method, deferred income taxes are adjusted for changes in statutory income tax rates as they occur. The adoption of Statement No. 96, as amended by Statement No. 103 which deferred the effective date of Statement No. 96 until fiscal 1993, is not expected to have a significant effect on the Company's consolidated financial statements.

PART I. FINANCIAL INFORMATION

Item 2. Management's Discussion and Analysis of Results of Operations and Financial Condition

Results of Operations - First Quarter 1992 Compared to First Quarter 1991

Business Overview. The Company sold substantially all of the assets, net of related capital lease obligations, of its Rudy's subsidiary in January 1991. The business operations of the Rudy's subsidiary represented a major line of business of the Company through the date of the disposition and thus are discussed herein and in the Company's financial statements as "Discontinued Operations". The Company continues to own and operate The Samurai, Inc., a full-service restaurant chain of seven Japanese Steak and Seafood restaurants.

At December 22, 1991 the Company's current liabilities exceed its current assets by approximately $1,480,000. The Company's obligation to Heller Financial Inc. ("Heller"), the Company's major creditor, totals $1,345,000 at December 22, 1991 and is included in the accompanying balance sheet in current liabilities. This obligation is payable $25,000 principal due monthly April through November 1992 at which time the remaining balance is due in full. Based on these facts and certain uncertainties with respect to a related party guarantee and ongoing legal proceedings, there exists substantial doubt as to the ability of the Company to continue as a going concern.

Although the nationwide economic recession has had a significant impact on consumer spending resulting in a decline in revenues in the first quarter fiscal 1992 as compared to the first quarter fiscal 1991, the Company's net loss for the first quarter 1992 improved by $81,000 to a loss of $27,000 as compared to a first quarter 1991 loss of $108,000. This improvement in the Company's operations in the first quarter 1992 is the result of various cost-containment and reduction measures implemented within the past two years. Management is continuing in its efforts to reduce costs and believes that, subject to the satisfactory resolution of the uncertainties to which it is a party, these cost-reduction measures will provide the Company with sufficient liquidity to meet its remaining obligations, sustain its ongoing operations and thus, continue as a going concern.

Revenues. Revenues in the first quarter 1992 totalled $2,304,000, a decrease of $20,000 or .9% as compared to the first quarter 1991. Revenues as adjusted for price changes represent a decline of 1.3% in volume as compared to the first quarter 1991 revenues, whereas price increases improved sales by .4% of revenues as compared to the first quarter 1991. Management believes the 1.3% decline in sales volume is the result of nationwide economic conditions which have caused a decline in consumer spending. In addition, because of the limited number and diverse geographic location of its restaurants, it is not economically beneficial for the Company to use extensive mass-media advertising available to larger restaurant companies.

Cost of Goods Sold. Cost of goods sold improved 1.5% to 52.4% of revenues in the first quarter 1992 as compared to 53.9% of revenues in the first quarter 1991. Food, beverage and supplies costs improved 2.2% to 27.5% of revenues in the first quarter 1992 as compared to 29.7% of revenues in the first quarter 1991. Of this improvement in food costs, 1% is the result of increases in sale prices; the balance of the improvement is the result of various factors including certain refinements in menu items and reductions in the cost of certain meat products. Labor costs increased .7% to 24.9% of revenues in the first quarter 1992 as compared to 24.2% of revenues in the first quarter 1991. This increase is the result of the effects of the increase in Federal minimum wage effective April 1991 and increased group health insurance costs. In addition, the proper preparation of the menu items served at the Samurai restaurants requires a high degree of specialized training and experience, and the availability of individuals qualified to fill certain positions is limited. Thus, restaurant personnel costs cannot be reduced proportionately when revenues decline.

Expenses of restaurant operations: General. General operations include restaurant management and supervision, occupancy costs, repairs and maintenance, utilities, advertising and property and liability insurance. Overall, the cost of general operations increased approximately $10,000 in the first quarter 1992 as compared to the first quarter 1991. The cost of restaurant management increased $13,000 primarily as a result of increased cost of group health insurance; repairs and maintenance costs increased approximately $6,000: advertising expense increased approximately $6,000. As a result of modifications in certain lease agreements and reductions in real estate taxes, occupancy costs decreased approximately $15,000.

Corporate Overhead. General and administrative expenses decreased $75,000 in the first quarter 1992 as compared to the first quarter 1991. Substantially all of the reduction in these costs is the result of the down-sizing of the administrative offices made possible by the sale of the Rudy's segment in January 1991.

Liquidity and Capital Resources

Cash flow used in operating activities was $302,000 used in the first quarter 1992 as the Company continued to reduce accounts payable and accrued expenses which had accumulated prior to the sale of the Rudy's segment in January 1991. This is as compared to cash flow used in operating activities of $423,000 used in the first quarter 1991 when the Company financed a cash loss $122,000 related to the first quarter 1991 operating losses of the Rudy's segment.

The terms of the Company's loan agreement with Heller include numerous covenants with which the Company is required to comply on a periodic and annual basis, including, but not limited to, certain reporting requirements, financial ratios, earnings and net worth levels. The agreement also includes provisions restricting borrowing, dividend distributions and the use of proceeds from the sale of assets. Due to operating losses incurred, the sale of the Rudy's segment and certain other factors, the Company was not able to comply with certain of these covenants and restrictions in fiscal 1991. Heller waived compliance with the covenants and restrictions with which the Company was unable to comply at September 29, 1991 and December 22, 1991.

The obligation to Heller, total $1,345,000 at December 22, 1991, is payable $25,000 principal due monthly April through November 1992 at which time the remaining balance is due in full. The Company's ability to continue as a going concern is dependent on its ability to generate sufficient cash flow during 1992 to repay Heller in November 1992, extend the ter of repayment of this obligation, or, in the alternative, to obtain other financing. There are no assurances the ' .ipany will be successful in its efforts.

In October 1991, the Company incurred additional indebtedness of $101,000 which was used to fund the Company's insurance premiums for fiscal 1992. Payments on this indebtedness totalled $37,600 in the first quarter 1992. This obligation is due in full in fiscal 1992.

Capital expenditures to be funded out of cash flow from operating activities are expected to total approximately $100,000 in fiscal 1992, of which $7,000 was spent in the first quarter 1992.

The Company's outstanding indebtedness which bears interest at rates varying with the prime rate totals $1,745,000 at December 22, 1991. Thus, changes in the prime rate affect both the Company's cash flow and results of operations.

The Company presently pays a significant portion of its employees in excess of the Federal minimum wage. In addition, a large number of the Company's employees are tipped employees whose wages are subject to the Federal tip credit. Therefore, although increased state and federal minimum wage rates have some impact on the Company's results of operations, such impact has not been and is not expected to be significant.

Part II. **OTHER INFORMATION**

Item 1. Legal Proceedings

Rudy's Sirloin SteakBurgers, Inc., merged with Rudy's Sirloin SteakBurgers Restaurant and Design, a/k/a Unified Ventures Inc., Debtor (United States Bankruptcy Court, Southern District of Florida, Case NO. 91-16247-BKC-AJC)

In December 1991 a creditors petition in involuntary bankruptcy was filed against the Company's Rudy's subsidiary. In January 1992 this proceeding was dismissed without prejudice.

Item 2. Changes in Securities

None

Item 3. Defaults upon Senior Securities

None

Item 4. Submission of Matters to a Vote of Security Holders

None

Item 5. Other Information

None

Item 6. Exhibits and Reports on Form 8-K

None

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

RUDY'S RESTAURANT GROUP, INC.
(Registrant)

Dated: February 26, 1992

Douglas M. Rudolph, President

Dated: February 26, 1992

Marie G. Peterson, Treasurer and
Chief Financial Officer